



**VEIC Review of  
2018-2020 NH Statewide Energy Efficiency Plan  
Draft dated May 31, 2017**

**Small Business Energy Solutions Program  
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# Characteristics of a Successful Small Commercial Program

- Provides customer value and generates MWH and MMBTU with sustainable acquisition costs
    - Savings come from a variety of measure types (lighting, HVAC, envelope, refrigeration, controls, etc)
  - Accessible to and utilized by wide range of customer types
    - market diversity
    - new and repeat customers
  - Creates partnerships or infrastructure that can be further developed as needs, goals, and budgets grow
    - Customers recommend to other customers
    - Transparent offerings supported by service providers, contractors, suppliers
  - All see value in program – customers, service providers, utilities, PUC
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# Best Practices for Achieving Success, and Why

- Include a suite of offerings from single prescriptive measures to more comprehensive offerings
  - ❑ Create multiple entry points for customers
  - ❑ Provide options to the customer based on their time, interest, and budget
  - ❑ More comprehensive offerings may include items like turn-key audits/implementation, deep retrofits, building commissioning, custom projects, etc.
- Leverage business, community, or service provider partnerships to promote and/or implement energy efficiency improvements to many customers
  - ❑ Build upon existing relationships and service work of other entities engaged with given small customers
  - ❑ Single prescriptive measures such as Exterior HID LED bollard retrofits, RTU controllers, refrigeration fan motors and fan motor controls, kitchen exhaust hood controls, etc. can be promoted by various trade allies making it easier for them to make a sale and customers to know about various opportunities.
- Look at commercial customers in aggregate by parent company and assign an account executive to ones that meet larger KW thresholds.

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# Overview of Program Proposed for NH

- Business customers with electric demand of less than 200 kW
  - Prescriptive and Custom Incentives
    - ❑ Program administered by utilities
    - ❑ Work directly with customers and contractors
    - ❑ Utilize a network of contractors to raise consumer awareness, recruit participants, conduct audits, recommend improvements, implement projects
  - Turnkey service
    - ❑ Trade allies deliver full service solutions to customers
    - ❑ Services include, but are not limited to, lighting, programmable thermostats, hot water measures, spray rinse valves, refrigeration measures, and natural gas and electric heat weatherization
  - Marketing focuses
    - ❑ Direct mail and email to customers
    - ❑ Leads from trade organizations
    - ❑ Direct outreach by trade allies and program coordinators
    - ❑ Referrals from each utility's customer service organization
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# Key Aspects of Draft Plan VEIC Supports

- Overall approach with small to mid-size business is based on established best practices
    - Designing specific services to target different customer segments
    - Create partnerships with various customer segments and trade allies to promote
    - Program includes various service delivery methods depending on whether larger barrier is money or knowledge/time
      - Prescriptive incentives
      - Custom incentives
      - Turn-key service offerings
  - Assuming NH Saves resulted in successful program delivery in the past, further promotion and adding in specific services to target various custom segments should allow the program to continue to grow and be successful.
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# Key Aspects VEIC Does Not Support

- Draft plan seems to be an incremental improvement of past efforts
    - ❑ While a sound approach, it is not innovative or necessarily market transforming
    - ❑ VEIC encourages creating a framework that promotes continual evolution and improvement in the small commercial program
  - How will you know you are going “deeper and wider with engagement”? Establish metrics and goals for success beyond MWH/MMBTU. This could be any, or all, of the following:
    - ❑ # new customers served
    - ❑ # customer types/markets participating
    - ❑ average % savings achieved
    - ❑ # measure categories involved in the project
    - ❑ # new EE approaches
    - ❑ Measures to promote each year
    - ❑ % new construction projects
    - ❑ % retrofit projects
    - ❑ Or other metrics
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## Aspects of Approach VEIC Does Not Support

Looking at the 3 Year Draft Plan and Budget, why are fewer electric participants projected in 2018 compared to 2017 and fewer gas participants in all 3 years?

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	2017	2018	2019	2020	2018-2020	2018-2020 Lifetime
Electric						
Budget	4,477,313	5,953,136	7,776,176	10,542,894	24,272,206	N/A
kWh savings	12,905,478	16,305,819	21,017,077	28,537,944	65,860,840	879,983,051
kW reduction		2,273	2,933	3,942	9,148	NA
Electric participants	1,006	746	1,019	1,463	3,228	N/A
Natural gas						
Budget	1,614,453	1,958,283	2,159,635	2,315,660	6,433,578	N/A
MMBTu savings	43,121	44,350	48,255	51,846	144,451	2,075,251
Gas participants	2,869	726	825	904	2,455	N/A
Note: kWh = kilowatt-hours; kW = kilowatt; MMBTu = million British thermal units						

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# Key Drivers in the Draft Plan

- Market segmentation is called out in the vision as an area of focus. This could be new – yet it's unclear what success will look like.
  - When reading the plan, it is unclear what is different about 2018-2020 compared to prior years to drive greater savings and impact?
  - It is unclear what is meant by deeper and wider engagement, particularly when the number of participants in 2018 is expected to be significantly lower than it was in 2017 for both gas and electric.
  - Overall the draft plan wants to utilize new financing approaches – how do you expect this to occur in small commercial construction?
    - Does the turn-key offering include financing?
    - Does NH Saves provide example project economics or savings of various measures for customers to include as they consider financing options?
    - How will customers learn about 3<sup>rd</sup> party financing or on-bill financing?
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# VEIC Recommendations

Suggestions	Rationale
1. Create a framework that encourages repeat customers or greater savings during a given project.	It is challenging to capture all cost-effective energy efficiency. How can NH Saves increase the likelihood this happens? Encourage turnkey providers to go as deep as possible (potentially pulling in custom measures based on site) and for DIY customers to do more after they complete the first project. Potentially something like a bonus incentive if achieved X savings (the higher end of what's happening at NH Saves) or a credit or incentive towards next project.
2. Develop partnerships with mid-stream and upstream suppliers to better promote and reduce the chance a customer will make a non-efficient investment.	At each decision point, customers must weigh their options. The more often this occurs, the higher the likelihood the customer will go with status quo or what they did last time. How can you make it easier for the customer to make more efficiency decisions and transform the market? What makes sense for the supply chain serving your various customers?

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## Other Comments or Ideas

- VEIC recommends identifying a method to refresh or update energy efficiency options on a regular basis – the technology options are changing at a rapid pace
    - Potentially could dedicate a portion of the budget to identify the next suite of technologies to promote with turn-key providers and with prescriptive offerings.
    - If prefer to outsource, potentially in a similar vein to the Energy Rewards program for large C&I customers, perhaps create an RFP for vendors/contractors/suppliers focused on getting them to stock, shift maintenance procedures, or incorporate in their upgrades the next generation of energy efficient products and technologies.
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# Suggested Improvements for the Draft Document

- On p. 93, in the vision section, after the sentence “The NH Utilities are focused on deeper and wider engagement in the Small Business Program” add a metric that articulates what success would like look. The metrics will establish the numerical target that the various NH utilities can strive towards to demonstrate a deeper and wider engagement in 2018-2020.
  - On p. 94, suggest modernizing energy efficiency measures supported by turnkey offering. Consider adding web enabled thermostats, roof top units, variable frequency drive controllers on supply and return fan motors, high efficiency circulator pumps, air sealing, and other newer EE offerings.
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# For More Information

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